



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Set Public Hearing for February 7, 2007 to Consider Implementation of a New Substation and Transmission System Charge to be Assessed as a Development Impact Fee upon Future Electric Customers Outside Existing City Boundaries and Making Corresponding Amendments to the Applicable Electric Utility Department Rules and Regulations (EUD)

MEETING DATE: January 3, 2007

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Schedule a public hearing for February 7, 2007 to consider the implementation of a new Substation and Transmission System Charge to be assessed as a development impact fee upon future electric customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department (EUD) Rules and Regulations.

BACKGROUND INFORMATION: During an earlier public hearing on September 20, 2006, a representative from the Building Industry Association (BIA) requested additional time to further review the proposed Substation & Transmission System Charge and was granted this time by the City Council. EUD has provided relevant background on this matter to the BIA.

Furthermore, EUD is responsible for expanding its electric system to serve new customers/development that includes transmission and substation facilities. In the short run, existing EUD substations have the capacity to serve new developments within and outside the current city limits. In the long run, however, new substations may be needed to reliably serve city growth beyond its current boundaries.

There is a trend by electric utilities to make new development responsible for much, if not all, of the cost to expand/extend electric facilities to serve them. Today, there is no mechanism available to EUD to assess new development/customers the cost of constructing new transmission lines and substation facilities that is incurred by EUD due to their electric load additions.

A typical EUD substation would have two power transformers with four distribution feeders (circuits) connected to each individual power transformer. The estimated cost of constructing a new substation and associated transmission is \$7,864,500 (in 2006 dollars). Based on the effective capacity of a standard substation (48 Mega Volt-Amperes), the corresponding cost per Kilo Volt-Amperes (kVA) is computed to be \$163.84.

The following table shows the calculation of the cost of new substation/transmission capacity. EUD is also proposing that after adoption of the initial charge of \$163.84 per kVA, this charge be revised annually beginning January 1, 2008 based on the average change in the U.S. Department of Labor's Bureau of Labor Statistics Producer Price Indexes (PPI) for (i) Electrical Switchgear and (ii) Specialty Transformers between the PPI for the month of June of the prior two calendar years. If there is a change in this charge between the time of application for electric service and the actual payment of charges, the charge in effect at the time of payment shall apply.

APPROVED:

Blair King
for Blair King, City Manager

Typical Distribution Substation Facility Cost with 60kV Transmission Line:

I. 60kV to 12kV Distribution Substation:

Maximum Rated Capacity =	48	MVA	
No. of Distribution Feeders =	8	Circuits	
No. of Power Transformers =	2	Units	
Substation Lot Size =	40,000	sq ft	at 200'x200'
Distribution Substation Cost =	\$ 7,444,500.00	Year 2006	

II. 60kV Transmission Line:

Typical Line Length to the Substation =	5	miles	
60kV Transmission Cost =	\$ 420,000.00	Year 2006	

III. Typical Distribution Substation Facility Cost:

Total (Substation + Transmission) Cost =	\$ 7,864,500.00	Year 2006	
Cost per kVA =	\$ 163.84	Year 2006	

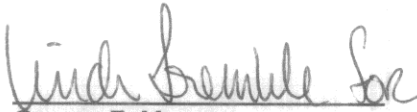
Staff is recommending the establishment of a Substation & Transmission System Charge to be assessed as a development impact fee upon future EUD electric developments outside existing City boundaries (as of August 1, 2006). The initial amount of such charge would be \$163.84 per kVA of computed new electrical load.

FISCAL IMPACT:

This action will provide funds for future capital expenditures associated with new substation/transmission facilities.

FUNDING AVAILABLE:

Not applicable.


George F. Morrow
Electric Utility Director

PREPARED BY: Demy Bucaneg, Jr., P.E., Manager, Engineering & Operations

GFMD/DB/lst

PROOF OF PUBLICATION

(2015.5 C.C.C.P.)

STATE OF CALIFORNIA

County of San Joaquin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Lodi News-Sentinel, a newspaper of general circulation, printed and published daily except Sundays and holidays, in the City of Lodi, California, County of San Joaquin and which newspaper had been adjudicated a newspaper of general circulation by the Superior Court, Department 3, of the County of San Joaquin, State of California, under the date of May 26th, 1953. Case Number 65990; that the notice of which the annexed is a printed copy (set in type not smaller than non-pareil) has been published in each regular and entire issue of said newspaper and not in any supplement thereto on the following dates to-wit:

January 6th,

all in the year 2007.

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Lodi, California, this 6th day of

January 2007.

Signature

This space is for the County Clerk's Filing Stamp

Proof of Publication

Implementation of a New Substation & Transmission System Charges to be assessed as a development impact fee upon future electric utility customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department Rules and Regulations (EUD)

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Wednesday, February 7, 2007 at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

a) implementation of a new Substation & Transmission System Charge to be assessed as a development impact fee upon future electric utility customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department Rules and Regulations (EUD)

Information regarding this item may be obtained in the Electric Utility Department, 1331 S. Ham Lane, Lodi, (209) 333-6762. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 W. Pine Street, 2nd Floor, Lodi, 95240 at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:
Randi Johl
City Clerk

Dated: January 3, 2007
Approved as to form:

D. Stephen Schwabauer
City Attorney
January 6, 2007 05514069



***Please immediately confirm receipt
of this fax by calling 333-6702***

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: implementation of a new Substation & Transmission System Charge to be assessed as a development impact fee upon future electric utility customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department Rules and Regulations (EUD)

LEGAL AD

PUBLISH DATE: Saturday January 6, 2007

TEAR SHEETS WANTED: Three (3) please

SEND AFFIDAVIT AND BILL TO: RANDI JOHL, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: Thursday January 3, 2007

ORDERED BY: RANDI JOHL
CITY CLERK

JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK


DANA R. CHAPMAN
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

Faxed to the Sentinel at 369-1084 at 430 PM (time) on 1/4/07 (date) 2 (pages)
LNS DIANE Phoned to confirm receipt of all pages at 430 PM (time) JMP SK (initials)



DECLARATION OF POSTING

implementation of a new Substation & Transmission System Charge to be assessed as a development impact fee upon future electric utility customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department Rules and Regulations (EUD)

On Friday, January 5, 2007, in the City of Lodi, San Joaquin County, California, an implementation of a new Substation & Transmission System Charge to be assessed as a development impact fee upon future electric utility customers outside existing City boundaries and making corresponding amendments to the applicable Electric Utility Department Rules and Regulations (EUD), was posted at the following locations:

Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

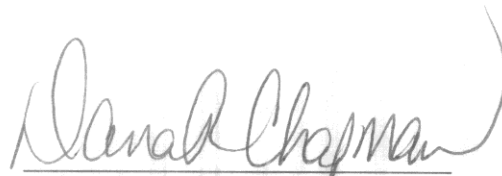
I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 5, 2007, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK**

JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK



DANA R. CHAPMAN
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: February 7, 2007

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl

City Clerk

Telephone: (209) 333-6702

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By Order of the Lodi City Council:

A handwritten signature in black ink, appearing to be "Randi Johl", written over a horizontal line.

Randi Johl
City Clerk

Dated: January 3, 2007

Approved as to form:

A handwritten signature in black ink, appearing to be "D. Stephen Schwabauer", written in a stylized, cursive manner.

D. Stephen Schwabauer
City Attorney